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**FINANCE COMMITTEE MEETING**

**Wednesday, October 26, 2005**

The Finance Committee met on Wednesday, October 26, 2005, at 11:15 a.m. in the Louisiana Purchase Room of the Claiborne Building, 1201 North Third Street, Baton Rouge, Louisiana. Vice Chair William D. Blake called the meeting to order. The roll was called, and a quorum was established.

**COMMITTEE MEMBERS PRESENT**

William D. Blake, Vice Chair  
Scott Brame  
Robert Levy  
W. Clinton Rasberry, Jr.  
Jerry Shea, LSU System  
Winfred Sibille, UL System

**OTHER BOARD MEMBERS PRESENT**

Roland Toups  
Frances Henry  
Harold M. Stokes  
Stanley Jacobs  
Pat Strong  
Richard D'Aquin  
Ingrid Labat  
Chris L. Jividen  
Reggie Dupré

**COMMITTEE MEMBERS ABSENT**

Virgil Robinson, Jr., Chair  
Artis Terrell, Jr.  
LCTCS Representative  
SU System Representative

**STAFF MEMBERS PRESENT**

E. Joseph Savoie  
Donald J. Vandal  
Axel Vásquez  
Louise Moore

**GUESTS PRESENT**

Appendix A

**FY 2005-06 OPERATING BUDGET CONSIDERATION**

Mr. Donald J. Vandal, Deputy Commissioner for Finance and Administration, began his presentation by first summarizing the committee's agenda. He then stated the operating budgets for FY 2005-06 were compiled by the institutions and approved by the management boards prior to August 29<sup>th</sup> when Hurricane Katrina struck Louisiana.

Mr. Vandal stated that although the state fiscal environment and individual institution's circumstances have changed significantly as a result of Hurricane Katrina and then Hurricane Rita, the operating budget submissions should be considered the starting point and the financial base from which whatever necessary budgetary adjustments that unfold will apply. Mr. Vandal then showed the committee a power point presentation (Appendix B) detailing Postsecondary Education's operating budget for FY 2005-06 as it pertained to systems, types of institutions, and special items. Discussion then ensued.

After discussion, the Finance Committee took the following action:

**On motion of Supervisor Sibille, seconded by Regent Rasberry, the Finance Committee unanimously recommended the board approve the FY 2005-06 Operating Budget submissions.**

**REVIEW OF IMPACTED INSTITUTIONS**

Mr. Vandal welcomed officials from institutions in the New Orleans and surrounding areas and in southwest Louisiana that were directly and significantly impacted by the disasters. First, representatives from LSU Health Sciences Center in New Orleans, the University of New Orleans, LSU Agricultural Center, and Southern University New Orleans provided the committee with a summary report of their current state and brief budget forecasts. Then, representatives

from McNeese State University, Delgado Community College, Nunez Community College, Louisiana Technical College, and Sowela Technical Community College provided their reports.

Although representatives spoke of efforts underway to restart operations as quickly as possible, the fall semester has become a significant loss for the impacted institutions.

Representatives also mentioned that the likelihood of regaining enrollment similar to pre-Katrina and Rita levels remains unknown. The committee thanked all of the officials for their reports and their tremendous efforts through the disasters.

### **DISCUSSION OF EMERGING BUDGETARY ISSUES**

Mr. Vandal discussed Executive Order KBB2005-38 which imposed an Executive Branch hiring and spending freeze on the budget. He then stated that Higher Education officials had been in negotiations with the Division of Administration as to how impacts on core and priority operations could be minimized without the freeze. Higher Education as a whole submitted a proposal for release from the Executive Order in lieu of a target savings proposal designed to result in \$25 million of savings for the state. The proposal was approved.

Mr. Vandal then presented a brief explanation of how the state budget process would work in the case of a severe revenue loss scenario. Details of that process are reflected in the presentation attached as Appendix C.

### **ADJOURNMENT**

There being no further business to come before the Committee, the Finance Committee adjourned at 2:55 p.m.